

Message Text

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ORIGIN EB-07

INFO OCT-01 ARA-06 NEA-10 IO-13 ISO-00 LAB-04 COME-00

AGR-05 CIAE-00 INR-07 NSAE-00 SP-02 STR-04 TRSE-00

CIEP-01 FRB-03 OMB-01 /064 R

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COMMERCE - RLEVIN

LABOR - FJAMES

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P R 161540Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY PORT AU PRINCE PRIORITY

INFO AMEMBASSY NEW DELHI

USMISSION GENEVA

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GENEVA FOR SPRUCE - NEW DELHI PASS TEXTILE TEAM.

E.O. 11652:N/A

TAGS:ETRD, HA

SUBJECT:BILATERAL TEXTILE CONSULTATIONS WITH HAITI.

1. US TEXTILE OFFICIALS HELD BILATERAL CONSULTATIONS WITH REPRESENTATIVES OF GOH AUGUST 12 IN WASHINGTON. HAITIAN DELEGATION WAS HEADED BY MINISTER OF COMMERCE ANTONIO ANDRE AND INCLUDED RAOUL VICTOR, CHIEF, FOREIGN AND DOMESTIC TRADE DIVISION OF THE MINISTRY OF COMMERCE AND ORCENA GERVAI, COMMERCIAL ATTACHE, EMBASSY OF HAITI.

2. GOH REQUESTED CONSULTATIONS TO DEAL WITH WHAT
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THEY BELIEVED TO BE A PROBLEM OF MISCLASSIFICATION

OF HAITIAN EXPORTS OF 2 PIECE CHILDREN'S PLAY OUTFITS (PANTS AND KNIT SHIRTS). THESE OUTFITS ARE CHARGED TO THE APPROPRIATE SEPARATE CATEGORIES. GOH INDICATED THAT IT BELIEVED THAT THESE SETS SHOULD BE CHARGED TO CATEGORY 237 IF OF MAN-MADE FIBER. GOH WAS ESPECIALLY CONCERNED BECAUSE THROUGH JULY 30, 73.9 PERCENT OF CATEGORY 238 (MMF TROUSERS, SLACKS AND SHORTS, NOT KNIT) WAS FILLED. (FYI HAITI SPECIALIZING IN EXPORT OF CHILDREN'S CLOTHES. REVIEW OF GENERAL IMPORTS Y/E 6/76 INDICATES THAT AS MUCH AS 94 PERCENT OF IMPORTS FROM HAITI IN CATEGORY 238 COULD BE CHILDREN'S TROUSERS. END FYI. GOH ESTIMATED THAT ENTIRE 238 QUOTA WOULD BE EXHAUSTED BY OCTOBER 15 (ONE AND ONE-HALF MONTHS BEFORE END OF AGREEMENT YEAR.)

3. DURING FIRST SESSION, US DELEGATION EXPLAINED THAT 2 PIECE OUTFITS CLASSIFIED AS SUITS ONLY IF TOPS AND BOTTOM ARE OF MATCHING FABRIC AND IF TOP IS CONSTRUCTED AS A COAT. SAMPLES PRESENTED BY HAITIAN DELEGATION WERE OF 2 PIECE COORDINATED CHILDRENS PLAY SETS WITH COTTON PANTS AND MAN-MADE FIBER PULLOVER SHIRTS. THESE OUTFITS DO NOT MEET CRITERIA FOR CLASSIFICATION AS SUITS; EVEN IF SETS ARE DESIGNED TO BE SOLD AND WORN TOGETHER THEY ARE PROPERLY CLASSIFIED AND CHARGED BY US CUSTOMS AS SHIRTS AND PANTS.

4. GOH DELEGATION INDICATED THAT IT UNDERSTOOD CLASSIFICATION PROCEDURES BUT INDICATED THAT PROBLEM OF CATEGORY 238 REMAINED. MINISTER ANDRE SAID THAT GOH FEARED IF QUOTA WERE EXHAUSTED IN OCTOBER, PLANTS WOULD NOT ONLY BE IDLED UNTIL END OF AGREEMENT YEAR, BUT IMPORTERS WOULD SEEK OTHER SUPPLIERS AND WOULD NOT RETURN TO HAITI EVEN AFTER QUOTA BECAME AVAILABLE AGAIN WITH BEGINNING OF NEXT AGREEMENT YEAR. DELEGATIONS AGREED TO HOLD SECOND SESSION TO DISCUSS CATEGORY 238 PROBLEM.

5. DURING SECOND SESSION MINISTER ANDRE STATED THAT GOH BELIEVED IT WOULD NEED A 25 PERCENT INCREASE IN CATEGORY 238 TO AVOID DISRUPTION OF TRADE FOR REMAINDER LIMITED OFFICIAL USE

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OF AGREEMENT YEAR.

6. HEAD US DEL EXPLAINED THAT US WAS UNABLE TO AGREE TO CHANGES IN SPECIFIC LIMITS UNLESS US OBTAINED SOMETHING IN RETURN. HOWEVER, IF GOH WILLING TO MAKE SACRIFICE IN SOME OTHER AREA, THERE WOULD BE A POSSIBILITY WE COULD BE HELPFUL WITH REGARD TO CATEGORY 238. HEAD US DEL THEN INDICATED

THAT A CATEGORY OF CONCERN TO US AT THIS TIME WAS 237, MAN-MADE FIBER SUITS, WHICH HAS A CONSULTATION LEVEL OF 2 MILLION SYE IN THE US-HAITI AGREEMENT. SINCE CATEGORY IS ESPECIALLY SENSITIVE IN THE US WE WOULD BE ABLE TO ALLOW ADDITIONAL SHIPMENTS IN 238 IF WE COULD GAIN THE ABILITY TO LIMIT SHIPMENTS IN 237 TO A LOWER LEVEL. SPECIFICALLY, HE PROPOSED A TRANSFER OF 1 MILLION SYE FROM CATEGORY 237 TO 238, REDUCING BY 50 PERCENT THE 237 CONSULTATION LEVEL TO 1 MILLION SYE AND INCREASING THE 238 LIMIT BY 21 PERCENT TO 5,600,000 SYE.

7. HEAD US DEL EMPHASIZED THAT TRANSFER WOULD REQUIRE AMENDMENT OF AGREEMENT AND THAT IF AT SOME FUTURE DATE HAITI WISHES TO INCREASE SHIPMENTS IN CATEGORY 237, US WOULD NOT RPT NOT NECESSARILY BE ABLE TO ACCEDE TO A REQUEST. SINCE 237 IS CONSULTATION LEVEL, IF THERE ARE NO PROBLEMS OF MARKET DISRUPTION HAITI CONCEIVABLY COULD SHIP ABOVE 1 MILLION SYE LEVEL; HOWEVER 237 IS A SENSITIVE CATEGORY AND AS LONG AS WE HAVE A PROBLEM IN THAT MARKET GOH WOULD HAVE TO HOLD SHIPMENTS AT 1 MILLION SYE LEVEL.

8. MINISTER ANDRE INDICATED THAT HE UNDERSTOOD THIS POINT. HE STATED, HOWEVER, THAT PRESSING PROBLEM WAS IN CATEGORY 238; SINCE US PROPOSAL OFFERED SOLUTION TO THIS PROBLEM HE AGREED THAT GOH WOULD ACCEPT REDUCTION IN CATEGORY 237 LEVEL IN EXCHANGE FOR INCREASE IN CATEGORY 238 LIMIT. GOH DELEGATION EXPRESSED APPRECIATION FOR THE SPIRIT OF FRIENDSHIP AND COMPROMISE SHOWN BY THE US DURING THE CONSULTATIONS. DELEGATIONS AGREED TO EXCHANGE NOTES IN WASHINGTON IMPLEMENTING AMENDMENT AS AGREED LIMITED OFFICIAL USE

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UPON DURING THE CONSULTATIONS. KISSINGER

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